



November 18, 2003

Clint Halftown
Cayuga Nation
P.O. Box 11
Versailles, New York 14168-0011

Re: Class II Gaming Ordinance No. CN-2003-06

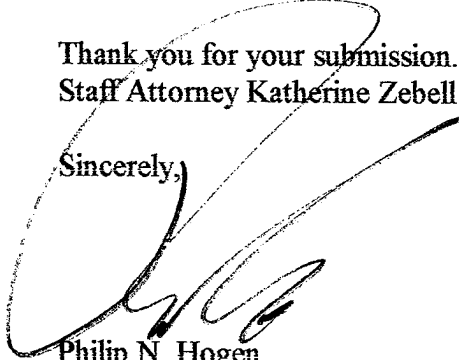
Dear Mr. Halftown:

This letter is in response to the Cayuga Nation's request that the National Indian Gaming Commission ("NIGC") review and approve the above Class II Gaming Ordinance, adopted by the Cayuga Nation ("Nation") on November 12, 2003, and relating to Class II gaming only. The Ordinance was received by the NIGC on November 14, 2003.

This letter constitutes our approval, under the Indian Gaming Regulatory Act ("IGRA"), of the Nation's Class II Gaming Ordinance No. CN-2003-6. It is important to note that the Ordinance is only approved for gaming on Indian lands, as defined in the IGRA and the NIGC's regulations, over which the Nation has jurisdiction.

Thank you for your submission. If you have any questions, please feel free to contact Staff Attorney Katherine Zebell at (202) 632-7003.

Sincerely,



Philip N. Hogen
Chairman

**CAYUGA NATION COUNCIL OF CHIEFS,
REPRESENTATIVES AND CLAN MOTHERS**

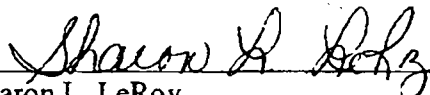
**RESOLUTIONS AUTHORIZING THE
CAYUGA NATION OF NEW YORK
CLASS II GAMING ORDINANCE**

WHEREAS, the Cayuga Nation Council of Chiefs, Representatives and Clan Mothers (hereinafter the "Cayuga Council"), the governing body of the Cayuga Nation of New York (hereinafter the "Nation"), desires to set the terms for Class II gaming operations on lands held in fee simple status or in trust by the United States of America for the Nation (collectively, hereinafter "Nation lands");

NOW, THEREFORE, BE IT RESOLVED, that the Nation, acting through the Cayuga Council, hereby authorizes and adopts the Cayuga Nation of New York Class II Gaming Ordinance (Ordinance No. CN-2003-06), in the form attached to these Resolutions, to set the terms for Class II gaming operations on Nation lands; and it be

FURTHER RESOLVED, that Clint Halfown, as a representative of the Nation, be, and he hereby is, authorized, empowered and directed to execute the Ordinance No. CN-2003-06 on behalf of the Nation and to file a copy thereof with the National Indian Gaming Commission.

The foregoing resolutions were duly adopted by the Cayuga Nation Council of Chiefs, Representatives and Clan Mothers on the 12 day of the month of November in the year 2003 and the undersigned is duly authorized to sign, this attestation.


Sharon L. LeRoy
Secretary of the Cayuga Nation Council of Chiefs,
Representatives and Clan Mothers

CAYUGA NATION OF NEW YORK

CLASS II GAMING ORDINANCE ORDINANCE NO. CN-2003-6

I. PURPOSE

The Cayuga Nation Council of Chiefs, Representatives and Clan Mothers (hereinafter the "Nation's Council") of the Cayuga Nation of New York (hereinafter the "Nation"), empowered by the Great Law, an oral tradition which the members of the Nation continue to accept, to enact ordinances, hereby enacts this ordinance in order to set the terms for Class II gaming operations on tribal lands including, but not limited to, lands conveyed either directly to the Nation or to the United States of America and held in trust for the Nation (collectively, hereinafter "tribal lands").

II. GAMING AUTHORIZED

Class II gaming as hereinafter defined is hereby authorized. Consistent with the definition of Class II gaming in the regulations promulgated by the National Indian Gaming Commission at 25 C.F.R. § 502.3 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992), Class II gaming is hereby defined as:

1. Bingo or lotto (whether or not electronic, computer, or other technologic aids are used) when players:

- (a) Play for prizes with cards bearing numbers or other designations;
- (b) Cover numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and
- (c) Win the game by being the first person to cover a designated pattern on such cards;

2. If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and other game similar to bingo;

3. Nonbanking card games that:

- (a) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state; and
- (b) Players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes;

Consistent with the exclusions from the definition of Class II gaming as defined in the Indian Gaming Regulatory Act, P.L. 100-447, 25 U.S.C. Section 2703(7)(B), Class II gaming as hereinabove defined does not include:

(a) Any banking card games, including baccarat, chemin de fer, or blackjack (21); or

(b) Electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

III. CAYUGA NATION CLASS II GAMING COMMISSION

A. A tribal gaming commission, the Cayuga Nation Class II Gaming Commission (the "Cayuga Class II Gaming Commission"), shall be appointed by the Nation's Council to regulate all Class II gaming by the Nation.

B. Each member of the Cayuga Class II Gaming Commission shall serve a term of no more than three (3) years and can be removed for good cause.

C. The Cayuga Class II Gaming Commission shall be responsible for regulating all Class II gaming operations and is authorized to issue gaming regulations as deemed appropriate.

IV. OWNERSHIP OF GAMING

The Nation shall have the sole proprietary interest in and responsibility for the conduct of any gaming operation authorized by this ordinance.

V. USE OF GAMING REVENUE

A. The Nation shall use net revenues from Class II gaming only for the following purposes: to fund tribal government operations or programs; provide for the general welfare of the Nation and its members; promote tribal economic development; donate to charitable organizations; or help fund operations of local government agencies.

B. If the Nation elects to make per capita payments to its members, it shall authorize such payments only upon approval of a plan submitted to the Secretary of the Interior under 25 U.S.C. § 2710(b)(3).

C. The Nation shall ensure that the interests of minors, and other legally incompetent persons who are entitled to receive any of the per capita payments, are protected and preserved, and that the per capita payments are disbursed to the parents or legal guardian of such minors or legal incompetents in such amounts as may be necessary for the health, education, or welfare of the minor or other legally incompetent person, under a plan approved by the Secretary of the Department of the Interior and the Nation's Council.

VI. AUDIT

A. The Nation shall cause to be conducted independent audits of gaming operations annually and shall submit the results of those audits to the National Indian Gaming Commission.

B. All gaming related contracts that result in expenditures of \$25,000 or more in any year (except contracts for professional legal or accounting services), shall be specifically included within the scope of the audit that is described in subsection A. of this section.

VII. PROTECTION OF THE ENVIRONMENT AND PUBLIC HEALTH AND SAFETY

The Nation shall construct, maintain and operate Class II gaming facilities in a manner that adequately protects the environment and the public health and safety.

VIII. LICENSES FOR KEY EMPLOYEES AND PRIMARY MANAGEMENT OFFICIALS

The Nation shall perform background investigations and issue licenses for key employees and primary management officials according to requirements that are at least as stringent as those set forth in 25 C.F.R. §§ 556 and 558.

The Nation shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed or seeking employment at any class II gaming enterprise operated on tribal lands:

A. Definitions

For the purposes of this section, the following definitions apply:

1. Key employee means

(a) A person who performs one or more of the following functions:

- (i) Bingo caller;
- (ii) Counting room supervisor;
- (iii) Chief of security;
- (iv) Custodian of gaming supplies or cash;
- (v) Floor manager;
- (vi) Pit boss;
- (vii) Dealer;
- (viii) Croupier;
- (ix) Approver of credit; or

(x) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

(b) If not otherwise included, any other person whose total cash compensation is in excess of \$50,000 per year; or

(c) If not otherwise included, the four most highly compensated persons in the gaming operation.

2. Primary management official means

(a) The person having management responsibility for a management contract;

(b) Any person who has authority:

(i) To hire and fire employees; or

(ii) To set up working policy for the gaming operation; or

(c) The chief financial officer or other person who has financial management responsibility.

B. Application Forms

1. The Nation shall place the following notice on the application form for a key employee or a primary management official before that form is filled out by an applicant:

In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a tribe or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in a tribe's being unable to hire you in a primary management official or key employee position.

The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

2. The Nation shall place the following notice on the application form for a key employee or a primary official before that form is filled out by an applicant:

A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment. (U.S. Code, title 18, section 1001).

C. Background Investigations of Key Employees and Primary Management Officials

1. The Nation shall perform a background investigation for each primary management official and for each key employee of a gaming operation sufficient to make a determination under subsection D. of this section and shall request from each primary management official and each key employee all of the following information:

- (a) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
- (b) Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;
- (c) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (1)(b) of this section;
- (d) Current business and residence telephone numbers;
- (e) A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;
- (f) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- (g) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;
- (h) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;
- (i) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition if any;
- (j) For each criminal charge (excluding minor traffic charges) whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to paragraph (1)(h) or (1)(i) of this section, the criminal charge, the name and address of the court involved and the date and disposition;
- (k) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

- (l) A current photograph;
- (m) Any other information the Nation deems relevant; and
- (n) Fingerprints consistent with procedures adopted by the Nation according to 25 C.F.R. § 522.2(h).

2. The Nation shall provide each applicant with blank fingerprint cards supplied to the Nation by the National Indian Gaming Commission and shall instruct each applicant to have his or her fingerprints taken by an appropriate officer of the Sheriff's Office of Cayuga County, New York. The Nation will also instruct each applicant to return the completed fingerprint cards to the Secretary of the Nation. Upon receipt of completed fingerprint cards from an applicant, the Secretary of the Nation shall forward such cards to the National Indian Gaming Commission together with the requisite processing fee. In accordance with the Memorandum of Understanding to be entered into by the Nation and the National Indian Gaming Commission, the National Indian Gaming Commission shall enter certain information contained in each fingerprint card it receives in its internal data base and forward each fingerprint card to the Federal Bureau of Investigation for processing. Upon receipt of the CHRI from the Federal Bureau of Investigation with respect to the applicant whose fingerprint card was submitted to it, the National Indian Gaming Commission shall forward such CHRI to the Secretary of the Nation.

3. The Nation shall employ, or otherwise engage, a professional investigator to conduct an appropriate background investigation on each applicant (the "Investigator"). The Investigator shall review the required information provided by such applicant and shall further:

- (a) Verify the applicant's name, place of birth, date of birth and citizenship by requiring the applicant to provide items such as a birth certificate, social security card or passport;
- (b) Confirm the applicant's business and employment positions held, and ownership interests in those businesses, currently and for the past five (5) years by attempting to contact by letters, telephone calls or personal visits to past employers and references listed in the application, through ownership documentation, such as copies of tax returns, and by any other means;
- (c) Obtain the applicant's driving record by using the applicant's driving license number to contact the Department of Motor Vehicle in the state where the license was issued;
- (d) Ascertain character information about the applicant by contacting all of the personal and professional references identified in the application. This information includes, but is not limited to, the applicant's prior activities, reputation, habits, associations and criminal record;
- (e) Inquire into any existing or previous business relationships the applicant has had with Indian tribes or the gaming industry, including the scope of those

relationships, by contacting respectively the tribes or gaming industry entities identified in the application or any other sources;

(f) Verify the applicant's history and status with any licensing or regulatory agency, including whether the applicant has filed any gaming-related application for a license or a permit and whether or not it was granted, by contacting those agencies listed in the application and the National Indian Gaming Commission;

(g) Obtain and verify information, including prior criminal records regarding any past felony convictions and/or charges, misdemeanor convictions and/or charges within the last ten (10) years, by providing identifying information regarding applicant to, and obtaining and reviewing state, county, city and tribal court criminal records received from, state, city, county and tribal courts, and state, local and tribal police departments in the applicant's current area of residence and previous areas of residence within the past five years; and

(h) Obtain and verify any other information the Nation deems relevant to complete a thorough background investigation.

4. Once the Investigator has verified the accuracy of the information submitted, the Investigator shall analyze the information and determine whether further investigation is warranted. If an analysis of the information reveals problem areas such as an applicant's criminal activities, finances or character, the Investigator shall broaden the scope of the investigation on such problem areas. The Investigator shall document the disposition of all potential problem areas noted and disqualifying information obtained. The Investigator shall further review each criminal history record information report received by the Nation in response to fingerprint card processing.

5. The Investigator shall, as soon as practicable after completion of the background investigation, prepare an investigative report to be submitted to the Nation detailing the results of such investigations which shall include all of the following:

(a) A description of the steps taken in conducting the background investigation by a checklist of procedures completed;

(b) An explanation of the results obtained including describing any exceptions or negative information and additional steps taken to examine any exceptions or negative information; and

(c) A statement as to the conclusions reached, whether positive or negative, and the basis or justification for such conclusion. Where exceptions, areas of concern or negative information were obtained, the conclusions and the justifications for the conclusions shall be included in the investigative report.

6. The Chairman of the Cayuga Class II Gaming Commission shall review and approve, if appropriate, the investigative work of the Investigator. The Chairman of the Cayuga Class II Gaming Commission may direct the Investigator to undertake such further

investigation of the applicant as the Chairman of the Cayuga Class II Gaming Commission deems appropriate.

7. In conducting the background investigation, the Chairman of the Cayuga Class II Gaming Commission and its agents, including the Investigator, shall promise to keep confidential the identity of each person interviewed in the course of the investigation. The Chairman of the Cayuga Class II Gaming Commission is responsible for the conduct of the background investigation and the determination under subsection D. of this section.

D. Eligibility Determination

1. As soon as practicable after its receipt of the CHRI from the National Indian Gaming Commission and completion of the background investigation report referred to in subsection C. of this section, the Chairman of the Cayuga Class II Gaming Commission shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If the Chairman of the Cayuga Class II Gaming Commission, in applying the standards adopted in this Class II Gaming Ordinance, determines that employment of that person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a management contractor or a tribal gaming operation shall not employ that person in a key employee or primary management official position. The determination shall state that the Chairman of the Cayuga Class II Gaming Commission considers the applicant either suitable or unsuitable for a key employee or management official license, as the case may be. If the Chairman of the Cayuga Class II Gaming Commission determines the applicant unsuitable for a key employee or management official license, neither the Nation nor a management contractor shall employ the applicant in such position. The Chairman of the Cayuga Class II Gaming Commission may report an applicant as unsuitable for such a license if the background investigation of the applicant reveals that the applicant:

- (a) is under the age of 18;
- (b) has been convicted of a crime whose elements would constitute a felony under the laws of New York State or the United States of America, or is punishable as a felony in another jurisdiction;
- (c) has been convicted of any form of bookmaking or other form of illegal gambling;
- (d) has been convicted of any fraud or material misrepresentation in connection with gaming;
- (e) has otherwise been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming or create or enhance the dangers of unsuitable, or illegal practices, methods, and activities in the conduct of any form of gaming; or

(f) has failed to provide any information reasonably required to investigate the applicant for a gaming license or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

2. Notwithstanding the fact that the background investigation of the applicant reveals a felony conviction or applicant's apparent unsuitability, if the Nation, in its sole discretion, determines

(a) based upon extenuating circumstances hereinafter set forth, that (x) the felony offense for which the applicant was convicted will not have a material effect on the applicant's fitness or ability to perform the duties or responsibilities for which the applicant seeks licensure, and (y) the applicant is of good moral character, the Nation may require a de novo review. The extenuating circumstances that would justify such a de novo review, all of which must be met to justify a request for a de novo review, are as follows:

(i) the applicant's offense does not equate to greater than a class E felony under the laws of the State of New York; or the "felony" character of such conviction resulted from a statutory or other aggravating sentencing circumstance following multiple lesser convictions under the Vehicle and Traffic Laws of the State of New York;

(ii) the applicant has not been convicted of more than one felony offense or the "felony" character of such conviction resulted from a statutory or other aggravated sentencing circumstance following multiple lesser convictions under the Vehicle and Traffic Laws;

(iii) five years have passed since the expiration of the sentence imposed for the felony conviction;

(iv) the applicant has not been convicted of any misdemeanor or felony offense since the expiration of the sentence imposed;

(v) the felony offense for which the applicant was convicted was a non-violent offense or the "felony" character of such conviction resulted from a statutory or other aggravated sentencing circumstance following multiple lesser convictions under the New York State Vehicle and Traffic Laws; and

(vi) if the offense for which the applicant was convicted was alcohol or drug related, the applicant has successfully completed a program of rehabilitation or an employee assistance program.

(b) based upon a reasonable assessment of the applicant's circumstances, that (x) the applicant would not pose a threat to the public interest or to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods, or activities in the conduct of Class II gaming, and (y) the applicant is of good moral character, the Nation may issue to the applicant a gaming license.

In the event of a report that the Nation considers an applicant to be unsuitable, the eligibility determination report shall set forth the specific reason(s) supporting such consideration.

E. Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission

1. When a key employee or a primary management official begins work at a gaming operation, the Chairman of the Cayuga Class II Gaming Commission shall forward to the National Indian Gaming Commission a completed application for employment that contains the notices set forth in subsection B. of this section and the information listed in subsection C.1. of this section. The Nation shall conduct a background investigation pursuant to subsection C. of this section to determine the eligibility of the key employee or primary management official for continued employment in a gaming operation.

2. Upon completion of a background investigation and a determination of eligibility for employment in a gaming operation under subsection D. of this section, the Chairman of the Cayuga Class II Gaming Commission shall forward a report under subsection F. of this section to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the Chairman of the National Indian Gaming Commission's approval of this ordinance. The gaming operation shall not employ a key employee or primary management official who does not have a license after 90 days.

3. During a 30-day period beginning when the National Indian Gaming Commission receives a report submitted under this section, the Chairman of the National Indian Gaming Commission may request additional information from the Nation concerning a key employee or a primary management official who is the subject of the report. Such a request shall suspend the 30-day period until the Chairman of the National Indian Gaming Commission receives the additional information.

F. Report to the National Indian Gaming Commission

1. When the Nation employs a key employee or primary management official, the Nation shall forward to the National Indian Gaming Commission a completed application for employment containing the notices and information set forth in subsection C.1. of this section.

2. Before issuing a license to a key employee or a primary management official, the Chairman of the Cayuga Class II Gaming Commission shall forward to the National Indian Gaming Commission an investigative report on each background investigation. An investigative report shall include all of the following:

- (a) Steps taken in conducting a background investigation;
- (b) Results obtained;
- (c) Conclusions reached; and

(d) The bases for those conclusions.

3. When the Chairman of the Cayuga Class II Gaming Commission forwards its report to the National Indian Gaming Commission, it shall include a copy of the eligibility determination made under subsection D. of this section.

4. If the Nation does not license an applicant, the Chairman of the Cayuga Class II Gaming Commission:

(a) shall notify the National Indian Gaming Commission; and

(b) may forward copies of its eligibility determination made under subsection D. of this section and investigative report (if any) made under this subsection F. to the National Indian Gaming Commission for inclusion in the Indian Gaming Individuals Records System.

5. With respect to key employees and primary management officials, the Nation shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or his or her designee for no less than three (3) years from the date of termination of employment.

G. Granting a Gaming License

1. If, within a thirty (30) day period described in subsection E. of this section, the National Indian Gaming Commission notifies the Nation that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the Nation has provided an application and investigative report to the National Indian Gaming Commission pursuant to subsection E. of this section, the Nation may go forward and issue a license to such applicant.

2. If, within the thirty (30) day period described in subsection E. of this section, the National Indian Gaming Commission provides the Nation with a statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Nation has provided an application and investigative report to the National Indian Gaming Commission as set forth in subsection E. of this section, the Nation shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Nation shall make the final decision whether to issue a license to such applicant based on the criteria set out in subsection D. of this section.

H. Duration of License and Renewal

Any gaming license issued shall be effective for two years from the date of issuance; provided, that a licensed key employee or management official who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application by the Nation. Previously licensed applicants or applicants for renewal shall provide currently updated application material with newly completed fingerprint cards but will not be required to re-submit historical data already on file with the Nation. No additional

investigation of previously submitted information of an applicant for renewal shall be required unless new information concerning the renewal applicant's continuing suitability or eligibility for a license comes to the attention of the Nation. Upon receipt of the renewal application, the Nation shall forward the renewal application and the newly completed fingerprint cards to the National Indian Gaming Commission so as to obtain a new CHRI, pursuant to section C. of this section.

I. License Suspension

1. If, after the issuance of a gaming license, the Nation receives from the National Indian Gaming Commission reliable information indicating that a key employee or primary management official is not eligible for employment under subsection D. of this section, the Nation shall suspend such license and shall notify, in writing, the licensee of the suspension and proposed revocation.

2. Upon receipt of such notification above, the Nation shall suspend such license and shall notify in writing the licensee of the suspension and the proposed revocation.

3. The Nation shall notify the licensee of a time and place for a hearing on the proposed revocation of a license.

4. After a revocation hearing, the Nation shall decide to revoke or to reinstate a gaming license. The Nation shall notify the National Indian Gaming Commission of its decision.

5. The right to a hearing set forth above shall vest only upon receipt of a license granted under this ordinance.

J. Temporary Licenses

1. Each applicant for a gaming license who files a copy of a current valid key employee license or management official license issued by New Jersey, Nevada or Mississippi together with his or her completed application and fingerprint card(s) shall be issued a temporary report of suitability for purposes of a temporary gaming license, pending determination of such applicant's suitability or eligibility for a gaming license pursuant to this section.

2. The Nation may issue a temporary license for any applicant. In that event, at the time of the submission of the application and applicant's fingerprint card(s) to the Nation, the Nation shall cause to be issued a temporary finding of suitability for any applicant whose application discloses no grounds reasonably sufficient to disqualify him or her in the judgment of the Nation and the fingerprint check does not disclose grounds for denial of a finding of suitability. Such temporary finding of suitability shall be issued (or denied) as soon as practicable. The Nation may issue a temporary license to the applicant provided that it has first issued a temporary finding of suitability. The temporary finding of suitability and temporary license shall remain in effect until suspended, revoked or upon the issuance or denial of a finding of suitability, but in no event shall such temporary license be valid for more than ninety (90)

days from the date of its issuance. If the Nation denies issuance of a temporary finding of suitability, it shall set forth the reason(s) for the denial in writing.

K. Fee for License

The cost of a background investigation conducted pursuant to subsection C. of this section shall be borne by the applicant in accordance with the fee schedule approved by the Nation.

L. Badges

All licensed employees shall, upon the commencement of employment, be provided with an identification badge by the Nation which shall be prominently displayed by the licensee at all times when on the premises of the gaming facility. The Nation shall recover such badge from an employee upon termination of employment.

M. Delegation

The Nation may establish procedures for the performance of certain or all of its functions hereunder by one or more members or other representatives of the Nation, as the Nation deems appropriate in which cases applicants, the Investigator, the National Indian Gaming Commission and its Chairman shall be entitled to rely on such member(s) or representative(s) acting on behalf of the Nation.

IX. LICENSE LOCATIONS

The Nation shall issue a separate license to each place, facility, or location on tribal lands where the Nation elects to allow class II gaming.

X. RESOLUTION OF CLAIMS

A. Establishment of the Cayuga Nation Claims Commission

1. The Nation establishes the Office of the Cayuga Nation Claims Commission (the "Cayuga Claims Commission") to resolve claims made against the Nation to recover damages (i) with regards to gaming winnings won in the Nation's gaming operations and (ii) arising out of personal injury alleged to have occurred in the Nation's gaming facility.

2. The Cayuga Claims Commission, comprised of at least three Commissioners, and a list of at least two alternate Commissioners authorized to fill temporary vacancies, shall be appointed by the Nation's Council. Any three Commissioners may conduct business pursuant to these procedures. Commissioners and alternate Commissioners shall meet or exceed the minimum eligibility requirements for such appointments as established by the Nation's Council.

3. The Cayuga Claims Commission shall have those powers and duties common to offices of its kind. In particular, the Cayuga Claims Commission is authorized to recommend that the Nation compensate a claimant who deserves relief in accordance with the

standards and procedures set forth in this section X. To determine whether a claimant should receive compensation, the Cayuga Claims Commission may investigate or cause the investigation of any claim and may convene an inquiry at which testimony and other evidence may be received. The Cayuga Claims Commission may in its discretion promulgate regulations to implement these procedures, providing that they are consistent with its terms.

4. An individual Commissioner shall excuse himself or herself from reviewing any claim as required to prevent any actual conflict of interest or so as to avoid the appearance of impropriety.

5. In the event that an individual Commissioner is temporarily unable to serve, an alternate Commissioner shall be temporarily appointed and seated, by order of his or her appearance on the list alternates, as authorized by the Nation's Council and until such time as the regular Commissioner is able to resume his or her duties.

6. The Commissioners shall be paid and reimbursed for reasonable, approved expenses by the Nation for his or her services and shall be assisted by such staff, other public bodies or offices of the Nation, and counsel from time to time as deemed necessary by the Nation's Council to provide for prompt and fair resolution of claims made against the Nation.

B. Resolution of Gaming-Related Claims

1. This subsection B. sets forth procedures for resolving disputes between the gaming public and the Nation or the management contractor with regards to gaming winnings.

2. Refusal to Pay Winnings

Whenever a licensed gaming facility refuses payment of alleged winnings to a patron, and the general manager of that facility and the patron are unable to resolve the dispute to the satisfaction of the patron, and the dispute involves:

(a) At least Five Hundred Dollars (\$500), the general manager shall immediately notify the Cayuga Claims Commission. The Cayuga Claims Commission shall conduct whatever investigation it deems necessary and shall determine within ten (10) days of notification whether payment should be made; or

(b) Less than Five Hundred Dollars (\$500), the general manager of that facility shall inform the patron of his/her right to request that the Cayuga Claims Commission conduct an investigation, which request must be made within five (5) days of the payment refusal. Upon receipt of such a request, the Cayuga Claims Commission shall conduct whatever investigation it deems necessary and shall determine within seven (7) days whether payment should be made.

3. Notice to Patrons

The Cayuga Claims Commission shall mail written notice by certified mail, return receipt requested, to the general manager and the patron of the decision resolving the dispute. If the dispute results from an equipment malfunction or violation of an operations

procedure, the general manager shall immediately correct the problem or disable the equipment. In addition, the general manager shall notify the Cayuga Claims Commission within five (5) working days of the steps that have been taken to insure that a similar problem does not occur in the future.

4. Effective Date of Decision

The decision of the Cayuga Claims Commission is effective on the date it is received by the aggrieved party, as reflected on the return receipt.

C. Resolution of Personal Injury Claims

This subsection C. sets forth procedures for resolving disputes between the gaming public and the Nation or the management contractor with regards to claims of personal injury alleged in the Nation's gaming operations.

1. Definitions

The following defined terms shall have the indicated meanings when used in this subsection C.:

(a) "Compensation" means payment for past and future damages made to a claimant by the Nation pursuant to these procedures.

(b) "Damages" mean only medical expenses, lost earnings, property lost and other economic harms to the claimant that are a direct consequence of an injury caused by the fault of the Nation. "Damages" do not include non-economic injury.

(c) "Medical expenses" mean all necessary expenses incurred for:
(i) medical, hospital, surgical, nursing, ambulance, x-ray, prescription drug and prosthetic services; (ii) medical supplies and equipment; (iii) psychiatric, physical and occupational therapy and rehabilitation; and (iv) any other professional health services.

(d) "Lost earnings" mean loss of earnings from work which the person would have performed had he/she not been injured.

(e) "Injury" includes any alteration or impairment of a temporary or permanent nature to a person or his or her property.

(f) "Person" means any human being or group of human beings or any entity recognized as a person under the law of any jurisdiction. "Person" does not mean the Cayuga Nation of New York, its enterprises or agents.

2. Standard for Compensation

The Nation will compensate a person for damages if the person demonstrates to the Cayuga Claims Commission that he or she, or a person he or she is authorized to represent, was injured due to the fault of the Nation or one of its employees acting

within the scope of his or her employment. The Nation will recommend payment for that amount of damage commensurate with the degree to which the fault of the Nation or its employees, who were acting within the scope of their employment, caused the injury. Awards will reasonably compensate for past and future damages caused by the fault of the Nation, but will in no event exceed Five Million and 00/100 Dollars (\$5,000,000.00) to a person.

3. Procedures

(a) A person, directly or by counsel, may submit a claim for compensation in writing to the Nation's gaming operation. The Nation's gaming operation shall forward any such claim to the Cayuga Claims Commission. The claim shall state prominently on its exterior packaging "NOTICE OF CLAIM".

(b) The claim must identify the claimant and contain a complete written description of the claim of injury and damage, including a detailed statement of why the Nation's gaming operation is at fault for the injury claimed. The claim must also be supported by evidence and state the name of the claimant and his or her address and telephone number for home and for business. With respect to each claimant, evidence shall include:

(i) a sworn affidavit from the claimant, which shall include his or statement in detail of the relevant facts, a detailed statement concerning past and future lost earnings, and a detailed statement of all other sources of compensation regarding the claimed injuries, including insurance, third parties, and lawsuits;

(ii) sworn affidavits from witnesses;

(iii) photographs of any injured part of the claimant's body or property;

(iv) a written list of the names, addresses, phone and facsimile numbers of health care providers who, and hospitals which, have treated the claimant for the injury claimed, and all records from medical personnel who are treating or have treated the claimant for the injury claimed, with a written report and prognosis prepared and signed by each physician that has treated or is treating the claimant for the injury claimed;

(v) a written list of all health care providers, including doctors and hospitals, who have treated claimant during the proceeding ten years; and a written summary that reasonably describes the conditions treated by each of these health care providers, the treatment provided, and the resolution if any, of each condition described;

(vi) all records that show lost income to the claimant due to the injury claimed, including but not limited to income tax returns, if any, filed with any government in the last three (3) years;

(vii) a signed release from the claimant permitting release by third parties, including health care providers, to the Nation of records regarding the claimant or his or her claim; and

(viii) all bills and receipts for which the claimant seeks reimbursement;

(ix) and any other information available to the claimant and necessary for the Cayuga Claims Commission to evaluate the claim.

Upon a showing of good cause, the Cayuga Claims Commission may waive a requirement that the claimant submit certain evidence.

(c) Any submission of a claim for compensation shall be made to the Cayuga Claims Commission within one year of the date of enactment of these procedures or of the date of the injury claimed, whichever is later.

(d) The Cayuga Claims Commission may conduct an investigation or an inquiry at which the claimant or the Nation, directly or through counsel, may give testimony and produce witnesses. In the event of such an inquiry, the Cayuga Claims Commission will provide reasonable advance notice to the claimant of the date, time and location of the inquiry. Failure of the claimant to respond completely to the requirements of the Cayuga Claims Commission in any regard shall be an independent ground upon which to deny compensation.

(e) The Cayuga Claims Commission shall issue a written decision with respect to each claim, stating an evaluation of the claim and recommending an amount of compensation, if any. The decision shall provide the findings of the Cayuga Claims Commission with respect to the facts underlying the claim. The Cayuga Claims Commission may consider the existence of collateral sources of compensation which the claimant has and may consider the availability of insurance which the Nation may have to cover any award of compensation. If the Cayuga Claims Commission concludes that compensation is warranted, the Cayuga Claims Commission shall provide claimant with a copy of the decision including the amount and terms of such compensation.

(f) The Nation may review the basis and size of a compensation recommendation to determine whether they are justified by the evidence in support of the claim and whether they are consistent with the best interest of the Nation. The Nation in its discretion may approve, amend or remand with instructions for further fact finding, any recommendation of the Cayuga Claims Commission. Upon approval or amendment of the recommendation of the Cayuga Claims Commission the Cayuga Claims Commission may notify the claimant.

(g) Upon receipt by the Cayuga Claims Commission of a sworn, written release by the claimant of any claim or other liability against the Nation's gaming operation or any joint tortfeasor, the Cayuga Claims Commission shall send a copy of such release with a copy of the recommended award to the Nation's gaming operation, which shall prepare and issue a check on behalf of the Nation to the claimant in the amount of the award.

D. Review of Decision

Within twenty (20) days after the date of receipt of the written decision of the Cayuga Claims Commission, the aggrieved party may file a petition with the Chairman of the

Cayuga Class II Gaming Commission requesting a review of the decision. The Chairman of the Cayuga Class II Gaming Commission may set a hearing on the matter or may make a decision based upon the prior decision and the other documentation provided to him or her by the Cayuga Claims Commission. The Chairman of the Cayuga Class II Gaming Commission shall then issue a written decision and mail it to the parties. The decision of the Chairman of the Cayuga Class II Gaming Commission shall be final and binding, and shall not be subject to review, enforcement or modification in any state or federal court or by any authority outside the Nation.

E. Interpretation

1. The Nation does not, by reason of this section X., waive in any respect its sovereign immunity, or that of its agents, in any manner, under any law, for any purpose, nor in any place.

2. These procedures for the resolution of claims do not create any right, cause of action or benefit enforceable at law or in equity by any person against the Nation, its agencies, its officers or employees, or any other person.

XI. REPEAL

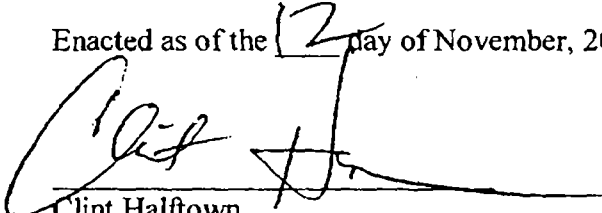
To the extent that they are inconsistent with this ordinance, all prior gaming ordinances are hereby repealed.

XII. DESIGNATION OF AGENT

The Secretary of the Nation's Council shall be designated as agent for service of any official determination, order or notice of violation from the National Indian Gaming Commission.

This Ordinance is effective upon enactment.

Enacted as of the 12 day of November, 2003


Clint Halftown
Nation Representative